

PSC NO. 87 Gas**NEW YORK STATE ELECTRIC & GAS CORPORATION**

Initial Effective Date: March 1, 2016

Issued in compliance with Order in Case No. 09-G-0716 dated September 21, 2010

Effective Date: 03/01/2016
Statement Type: GSC
Statement No. 164

New York State Electric & Gas Corporation

All Areas

Statement of Gas Supply Charge

Effective: March 1, 2016, and for each month thereafter, until changed

Applicable to Service Classifications No. 1, 2, 5 and 9 of PSC No. 87 Gas

The average cost of gas per therm calculated on February 26, 2016, by applying rates and charges of the Company's natural gas suppliers in effect on March 1, 2016, to quantities forecasted for the 12 months ended December 31, 2016
(per Therm)

<u>Description</u>	<u>SC No. 1</u>	<u>SC No. 2</u>	<u>SC No. 5</u>	<u>SC No. 9</u>
Firm Average Demand COG	\$0.131961	\$0.131961	\$0.131961	\$0.131961
Load Factor Adjustment (LFA)	1.0060	0.9811	0.4856	0.8401
Adjusted Firm Average Demand COG	\$0.132753	\$0.129467	\$0.064080	\$0.110860
Firm Average Commodity COG	\$0.180977	\$0.180977	\$0.180977	\$0.180977
Firm Average COG w/ LFA	\$0.313730	\$0.310444	\$0.245057	\$0.291837
Factor of Adjustment (FA)	1.00181	1.00181	1.00181	1.00181
Total Average COG	\$0.314298	\$0.311006	\$0.245501	\$0.292365
Supplier Refund Adjustment	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Interim Reconciliation Adjustment	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Annual Reconciliation Adjustment	(\$0.026038)	(\$0.026038)	(\$0.026038)	(\$0.026038)
Other Adjustments	\$0.000000	\$0.000000	\$0.000000	\$0.000000
GSC without Merchant Function Charge, per Therm	\$0.288260	\$0.284968	\$0.219463	\$0.266327

<u>Description</u>	<u>SC No. 1</u>	<u>SC No. 2</u>	<u>SC No. 5</u>	<u>SC No. 9</u>
Merchant Function Charge	\$0.017403	\$0.011824	\$0.011824	\$0.011824

Note: Weather normalization adjustment (WNA) factors are computed on an individual customer basis. WNA factors are calculated annually for customers without adequate history and are filed with the Department of Public Service.

Dated: February 26, 2016

Issued By: James A. Lahtinen, Vice President-Rates & Regulatory Economics, Binghamton, New York